

FINANCIAL NEWS

AND COMMENT

For May Investment

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PAYS EXTRA SUGAR DIVIDENDS

American Refining Also Elects Di-

rectors and Officers.

Two quarterly extra dividends of 1% per cent. on its common and two regular quarterly dividends of 1% per cent. on its common and preferred were declared yesterday by the American Sugar Refining Company's directors. They are payable on July 2 to stock of record on June 1 and on October 2 to stock of record on September 1. They are the same amounts paid by the company for the last preceding quarter.

Washington, D. C., May 11.—George H. Prater, of Philadelphia, has been elected as vice-president of the company, although they will continue as members of the executive committee of its directors. Three new vice-presidents of the company were elected yesterday and are as follows: W. Edward Foster, Ralph S. Stubbs and Edward V. Crossmore. Arthur B. Wollam, the company's controller, was elected its treasurer and Henry Edgecombe was made its comptroller.

STEEL INgot OUTPUT DROPS.

Labor Troubles Cause Decrease of

Production in March.

Owing to railroad labor troubles, a marked falling off in steel ingot production occurred in April, according to the American Iron and Steel Institute's report. During that month production was 640,744 gross tons under the revised March figures. The total production of that month, which made an increase of 84 per cent. of the steel ingot production of the United States in 1918, is given by the institute as 2,635,303 gross tons, which is the smallest of the year.

The following table gives the ingot production of the thirteen companies since the beginning of this year in gross tons, January and March figures having been revised.

	Open- ing	Close- ing	Mar. 1920	Mar. 1919	Mar. 1918
January	2,242,258	1,444,951	1,444,951	1,444,951	1,444,951
February	2,124,104	1,267,121	1,267,121	1,267,121	1,267,121
March	2,635,303	588,952	588,952	588,952	588,952

Crownell & Thurlow Cuts Melon.

Boston, May 11.—The Crownell & Thurlow Steamship Company declared today a stock dividend of 200 per cent. and a bonus of 100 per cent. on its common stock of \$1,000,000. The company was organized after the war started and has since built and operated vessels for the coastwise and foreign trade.

Pennsylvania Crude Oil Market.

Oil City, Pa., May 11.—Credit balances, 610,000; Runs, 49,888; Average, 47,734; Shipments, 101,759; Average, 59,295.

BOLIVIA TO BORROW

\$10,000,000 HERE

Contract for Loan by Imbric

& Co. Will Be Executed

Soon.

TO RETIRE FRENCH BONDS

Northern Pacific Plans Issue

and Payment on Omsk

Loan Expected.

It was learned yesterday that, in addition to the offering and over-subscription of the \$25,000,000 of United Pacific Railway Company and South Pacific Company jointly guaranteed five-year 7 per cent. equipment trust certificates of the Pacific Fruit Express Company, announcements of the execution of a contract between the Bolivian Government and Imbric & Co. for a loan of \$10,000,000 and of the sale of a \$4,500,000 equipment trust by the Northern Pacific Railway Company to J. P. Morgan & Co. will be made soon. It is further expected that announcement of the repayment of \$25,000,000 of the \$50,000,000 gold loan extended to the Omsk Government will be made.

The loan of \$10,000,000 to the Bolivian Government is for conversion of French bonds of 1910 and 1913, aggregating \$4,000,000 which the Bolivian Government expects to use for railroad construction.

Bolivia purposes to issue fifteen-year serial bonds bearing a 6 per cent. coupon, worth under present conditions between \$8,000,000 and \$8,500,000. Whether Imbric & Co. will offer the 6 per cent. bonds to the public could not be learned yesterday, as those bankers were reluctant to discuss the Bolivian loan. A result of the transaction has been a small rise in French exchange.

Peabody & Co. announced yesterday that half of the \$50,000,000 loan made by a syndicate of bankers last autumn to the Omsk Russian Government has been repaid. The syndicate making the loan consisted of Kidder, Peabody & Co.,

the Guaranty Trust Company, the National City Bank and Baring Bros.

Co., Ltd., of London. The loan was in the form of a short term credit secured by gold bars and coin deposited at Hongkong. Mr. Sargent refused to confirm or deny the report current in bank circles yesterday that the sale of the repayment about \$35,000,000 in gold had been sold to Japan.

In other quarters it was said that it was logical to assume that the gold had been sold to Japan, and that as a Government would be involved in the transaction, no statement to that effect, even if expected here. If the Japanese Government has purchased the gold the transfer would reduce the large amount of credit held in the Reserve Bank here for its account and correspondingly increase funds of the local bankers concerned in the transaction. It would also remove the immediate possibility of export of gold from the United States to Japan.

The Northern Pacific Railway Company has sold \$4,500,000 of its 1915 7 per cent. equipment trust to J. P. Morgan & Co. and an early announcement of a public offering of the same is expected. The success of the sale of the Pacific Fruit Express offering it is expected that there will be a good public demand for the smaller Northern Pacific issue.

The purpose of the \$25,000,000 of Pacific Fruit Express financing was to provide the purchase price for 4,000 new refrigerator cars for new icing stations and payment of the company's existing indebtedness. In a letter to the bankers, signed by R. S. Lovett, chairman of the Union Pacific, and J. Kruttschnitt, chairman of the Southern Pacific, the following description of the new equipment is made:

"These certificates are to be issued by Commercial Trust Company of Philadelphia, as trustee, under an equipment trust agreement. There will be vested in the trustee title to the refrigerator cars now in the service of the Pacific Fruit Express Company, conservatively estimated to have a present value of approximately \$30,000,000, which will be sold to the public at a price of approximately \$15,000,000, being the total estimated present value of the equipment to be embraced in the agreement approximately \$45,000,000. All equipment is to be leased by the trustee to Pacific Fruit Express Company at a rental of \$100,000 per annum, and the certificates and dividend warrants are to be matured. The payment of principal and dividends of the certificates is to be guaranteed by indorsement, jointly and severally, by the Union Pacific and Southern Pacific Railway Companies. Pending the delivery of the new equipment not yet completed, the contract price thereof is to be deposited with the trustee, to be withdrawn from time to time as construction progresses."

ABANDON PLAN FOR

FINANCING COPPER

Proposal to Form Company to

Take Care of Foreign

Credits Dropped.

IS FOUND UNNECESSARY

Export Association Ships to

France Large Amount

of the Metal.

The plan under consideration for the formation of a financing company to take care of foreign credits for the purchase of copper has been abandoned, at least for the present. It has been found, according to information obtained yesterday, that such a corporation will not be needed to finance the business which is coming now to the copper producing companies from abroad.

The Copper Export Association, however, is shipping the metal to France in good volume. It was learned yesterday that the association has contracts from French purchasers for upward of 20,000,000 pounds of copper, while contracts for the like amount, it is understood, are pending.

That business, it was learned, is being financed directly without the aid of a finance corporation, as was originally planned. The credits for the metal run from three to four months, and are all guaranteed by the best French banking institutions, it was declared. It is understood that those bills, with the indorsement of the French banks, are being resold in this country without difficulty.

As originally planned, the leading copper producing companies which would form a finance corporation were to extend a revolving credit to the European consumers of the metal. Those credits were to be for three or four months, being paid at the end of every period out of the proceeds of the sale of the metal. The products made in the French factories.

Although it was admitted yesterday that the plan may be revived if it be found that the proportions of foreign business shall be such that the present method cannot be employed successfully, it was indicated that the copper was moving at a rapid rate and that the plan now in use was considered very satisfactory by all concerned.

GOSSIP OF WALL STREET.

Backing and Filling.

The market had yesterday one of those sessions in which it was all dressed up and had no place to go. Recessions were followed by advances, and its close found most representative stocks just about where they started after moving in a very narrow range. The extreme fluctuations of the United States Steel, for instance, were just a point. The market, as it has been for a week, is professional, so professional, in fact, that a trade originating elsewhere than in Wall Street is given special consideration. Traders sold in the morning, scalped a point or so and bought back. Their endeavor to buy back and get books balanced wiped out all of the efforts of the earlier bear dealer. The day's news was colorless in so far as the market was concerned and sales again fell considerably below the million mark.

Automobile Situation.

Particular weakness, which has developed in recent days in representative automobile stocks may be attributed to three developments in addition to the general unsettled condition of the market. One of them is the report that certain Federal reserve banks are discriminating against automobile paper; another is the belief in certain quarters that the automobile industry has reached the peak of its boom; the third, the complaint frequently heard from other industries, that the automobile manufacturers are using up more than their share of raw materials and credit. To all of these complaints the manufacturers of automobiles enter a denial. The present demand for cars, say they, refutes the report that the peak has been reached. Leaders of the industry who make it their business to keep tabs on conditions and demand, declare that rather than having reached its peak the industry, less than a score of years old, is still in its infancy. They are asked by the bankers, however, if the automobile paper to come the banks or the corporations embarrassment. The attitude of the leaders of the industry is typified in the remark of the president of one of the large corporations, who was asked by the bankers if the peak of the automobile industry had been reached. The automobile manufacturer countered with the query: "Does your inquiry to close its doors after January 1st, neither do we expect to make any more automobiles are selling just go up to the Row and try to get immediate delivery on any standard make?"

Automobile Paper.

Men familiar with the financial affairs of the industry say that the stories about bank discrimination against automobile paper are rather foolish. There never has been a time when the industry has been so free of bank loans as the present, according to their contention. In bad times considerable sums are put out by concerns which finance purchases of cars on the installment plan, but they are mostly private concerns. The General Motors Acceptance Corporation does some financing of that kind in connection with the sale of its lower priced models, but that is by the corporation itself and not by the banks. In dull times dealers also put out a great deal of paper on cars waiting to be sold, but in good times the dealers' allowances have been taken in many instances as far ahead as August, there is, of course, no necessity for that sort of financing this year. It has been said that Wall Street is discounting the slump in the motor industry. Automobile manufacturers are inclined to believe that the theory is all right but that the Street is discounting too far in advance. In other words, it is the belief of men in the industry that there will be plenty of time to this after the companies have demonstrated what they are going to do during the summer months, always the best in their industry.

Money Higher.

Call money, answering the call of the Government for funds, ran up from 7 per cent. to 14 per cent. yesterday. A few unofficial loans were made at 11 per cent. and approximately \$100,000 was put out at 10 per cent. The fluctuation was attributed to the fact that the Government withdrawals of \$20,000,000 were made during the day and that \$40,000,000 will be withdrawn on Thursday. Those withdrawals will give the Government approximately \$60,000,000 to meet the May 15 interest payment on the new \$44,000,000 Liberty bonds. Approximately \$20,000,000 of those bonds were sold and the 2 1/2 per cent. due on Saturday is approximately \$60,000,000. The current withdrawals will bring Government deposits at this center down to about \$22,000,000. Wall Street is doing practically all of its financing through the call money market. In normal times the percentage is about fifty and fifty. It is said and one-half time money. The ratio is said to be about now 1 to 7 in favor of the call loan. Such fluctuations as occurred yesterday, therefore, may be anticipated whenever an unusual drain is laid on the call funds and the Government withdraws money in the call market.

Line Forms on the Right.

Any one who wants to employ some nice clean looking young men with glittering records for sobriety and industry would not scalp more than a point under any circumstances will find a feather among the two dollar men on the floor of the New York Stock Exchange. They are called "two dollar men" because they used to charge two dollar commissions. On account of the war and the consequent scarcity of two dollar men, the price has risen to \$10 a anyhow, the two dollar men complain that they are "not making a nickel," as one of them put it yesterday. They try both sides of the market every day, and generally find themselves out of the end of the day's transactions. The pools have about quit activity and with a market which has no development or definite trend, the two dollar men find it very tough going. So some of them are looking for a job.

Resigns From Governing Board.

W. W. Heaton, a member of the New York Stock Exchange firm of Day & Heaton, who has been governing of that exchange since December, 1919, presented yesterday his resignation from that office. Mr. Heaton has been in ill health for a long time, and therefore asked that his resignation be accepted at once. He has been a member of the exchange since 1911, and has been on the list of committee since 1917 and chairman of that committee since 1919. Since 1919 he has been chairman of its stock listing committee. His fellow governors expressed regret that Mr. Heaton's health made it necessary for him to resign. They said that his work on committees has been of inestimable value to the exchange.

Japan Gets Gold.

According to a report which reached Wall Street yesterday, Japan has purchased \$25,000,000 in gold deposited at the Federal Reserve Bank of New York by the payment of \$25,000,000 of the Omsk Russian loan. That negotiation, it is believed, will avert the necessity of importation of gold from the United States. Japan has large credit balances in the United States, and because of her present necessities it was thought that the gold might be shipped from here, despite the fact that exchange rates would make such shipment unprofitable from a bank's viewpoint.

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